

RECORD OF TELEPHONE CONVERSATION

FROM  TO

NAME: Jim Charles  
 AGENCY: NYSDEC (Attorney)  
Environmental Enforcement

DATE: 5/26/93  
 TIME: 1615 hrs  
 PHONE #: 716-851-7050  
 PROJECT: HBSA Industries, Inc  
 SUBJECT:  
 COPY TO:

HBSA was a holding company for the other five subsidiaries, which were all separately owned.

In the late 1980's, Visuercraft was discharging to a POTW, and was exceeding pretreatment levels. DEC served a search warrant and found violations. They agreed to a \$200,000 fine, to implement corrections and to reduced misdemeanor charges. Shortly afterwards, they went bankrupt. The DEC has a claim on the \$200,000.

Just before that occurred, at Close Interiors there were reports of hazardous materials being sprayed in the air and dumping, to avoid disposal costs. There was a RCRA penalty in Federal Court (\$20-32,000). A consent order was signed w/ the DEC, a workplan was prepared and approved, and the company was ready to implement it when the bankruptcy was declared. The DEC subsequently noted the drums during an inspection.

In August, 1991, HBSA filed for voluntary bankruptcy. The creditors(banks) converted that to an involuntary bankruptcy due to unpaid loans (forced it). Charles stated that they may be the only ones that will get paid (approximately \$25 million debt).

The banks wanted to liquidate the inventory to regain some of the money and stabilize the wastes in the interim. They came to an agreement w/ the DEC to release them from any potential liability if they did the work. DEC agreed just to expedite the situation. Actions have been taken (see site info packet). A DEC RCRA inspection stated that the materials Chick seem ok as a temporary measure. Signature